

Income Tax Act

the act I cannot see how some of these over-zealous types in that department will not just try to do that and get all that they can. I think we must be very careful before these words are passed by this committee.

The Chairman: Is the committee ready for the question?

Mr. Churchill: No, Mr. Chairman. I should like to protest with the others who have been protested against these words. I have been examining what was said last night by the minister in connection with the matter. I am surprised that in the interval he did not think up and make some modification. Last night the committee suggested that he think the matter over and modify the present wording. He has not done that. Now he is just sitting there in that determined fashion, resolved that no change shall be made. I suggest that is not good enough. Study of a bill in committee serves an extremely useful purpose. Already today and yesterday we have had bills studied in committee, with changes made and alterations accepted. It is in committee that there are pointed out inaccuracies in drafting, in wording or something like that. It is quite customary for ministers to recognize the fact that they themselves have not seen every aspect of a situation and that perhaps other minds applied to the same problem had something to contribute. I think something has been contributed to the discussion last night and tonight with regard to this wording. But what is contributed by the minister? As reported at page 6707 of *Hansard*, when he was dealing with this matter in the first instance, in reply to a question he said this:

With respect to the other question, we have in mind other forms of benefits that might be derived in the normal course of employment other than board and lodging.

I draw attention to that expression "might be derived". I do not know just who is going to make that decision. Then, as reported at the bottom of that page, the minister goes on to say this:

. . . whereas there might be a benefit in connection with the employment quite apart from board and lodging which ought to be taxed, . . .

If it ought to be taxed, this is the institution that should say it ought to be taxed, which should do it in clear words and not leave the matter open as it is here. If the minister wants to leave the matter wide open, why did he ever bother to put in "board and lodging"? Why not just say "any benefits of any kind whatsoever received or enjoyed in respect of the course of employment"? If you are going to spell out things that should be taxed, include them all and name them. But this wide open phrase merits all the criticism

that has been offered to it tonight. It is not beyond the capacity of the minister to let this clause stand and go on with other clauses. In the interval he might try to come up with some specific wording. I do not think it can be argued that those who have spoken before me have not shown quite clearly that there is a danger of abuse in wording of this nature. Who is going to make the decision? Will it be the Minister of National Revenue or will it be some junior officer going about the country? Who is going to say that something is going to constitute a benefit and that it has been derived in the normal course of employment, and that it ought to be taxed? If it ought to be taxed, parliament should say what should be taxed. Surely it is clear that over the years taxation measures must be amended from time to time. Evasions of taxation laws have occurred in the past. Loop-holes must be plugged. This process goes on continuously. It may well be that next year it will be necessary to bring in some amendment. But let us not bring in a carelessly worded phrase such as this one which puts the discretion, so far as we know, in the hands of very junior officials to determine what tax a person is going to pay. The voice of the taxpayer must be heard in the land, and this is the place for it to be heard. We suggest to the minister to let this clause stand for further consideration.

Mr. Zaplitny: Mr. Chairman, I have been trying to look at this section objectively and perhaps the question I intended to ask would be better addressed to the Minister of National Revenue. Has the minister or have his officials experienced any particular difficulty in administering the act as it stands without these words being added "of any kind whatsoever", or in other words with the wording "the value of board, lodging and other benefits"? I think that the committee might be assisted if the minister could give us some concrete examples of the kind of difficulties he may have had, if any. Of course, if there have not been any difficulties, I see no reason at all for having these words added.

Mr. Harris: Mr. Chairman, might I answer that question? If my hon. friend will read the record of last night's proceedings, he will see that I referred to the case of refrigerators. That is the kind of thing that has been given by employers to an employee, which we have been taxing and which we should continue to tax.

Mr. Zaplitny: Mr. Chairman, I see no difficulty at all there. The act reads "the value of board, lodging and other benefits". Certainly if it is considered that the gift of